

Subject

Date _____

PEC:sfh

To

From

Paul E. Coffey, Deputy
Chief, Organized Crime
and Racketeering Section
Criminal Division

W1
web

~~cc: Gerald E. McDowell, Chief
Public Integrity Section~~

b6 per FBI
b7C

73-1914-65

17 NOV 18 1987

Memo to OCRS, DOS
10/19/87

WPC: gm

WLB

ENCLOSURE

22 OCT 13 1988



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

June 10, 1986

GEORGE MICHAEL STEINBRENNER
APPLICATION FOR PARDON AFTER
COMPLETION OF SENTENCE

RECORD CHECK

A review of FBI files disclosed the following eight references to Mr. Steinbrenner in addition to the investigation conducted in 1973 which resulted in his conviction for Election Laws violation:

1) In October, 1973, an investigation was initiated upon the request of the Watergate Special Prosecution Force (WSPF) to determine if individual campaign contributions attributed to George Steinbrenner and employees of American Shipbuilding (AMSHIP) were, in fact, corporate contributions. Investigation revealed that the contributions in question were returned by the candidate to those individuals, and the case was closed. +

2) During the course of a 1975 Election Laws investigation into an aviation company, information was developed indicating that, in 1972, AMSHIP was billed by that company for chartered aircraft used by a Senator. Investigation was initiated at the request of the WSPF to determine if the Senator was using the aircraft for campaign purposes, thereby resulting in AMSHIP making illegal campaign contributions. It was determined that, for the flights in question, the Senator was attending speaking engagements and was not involved in an active campaign at the time that AMSHIP paid for his travel. The investigation was closed. +

It should be noted that both of these matters were provided to the Watergate Special Prosecutor for a prosecutive opinion. By a memorandum dated August 18, 1976, the WSPF advised that their office had closed these cases, and there is no indication that any prosecutive action resulted.

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3) George Steinbrenner was one of several individuals named in 1984 by a cooperating witness regarding individuals who made political campaign contributions, some of which were legal, others that were not. The cooperating witness advised that George Steinbrenner contributed \$5000 to the Carter campaign. There was no indication that this contribution was illegal and no further action was taken.

4) During the course of an investigation initiated in 1983 into possible illegal activities by individuals within the Federal Court system in the Northern District of Ohio, information was developed in 1984 indicating that relatives of a Federal Judge, with whom Mr. Steinbrenner is acquainted, made substantial capital gains in the buying and selling of AMSHIP stock. Their accountant, who received an appointment from the Judge, is also on AMSHIP's Board of Directors, including AMSHIP's audit and compensations stock option committee. Additionally, allegations were made that the nephew of the Judge received commissions from a company, owned by a friend of Mr. Steinbrenner's, in connection with that company's business transactions with AMSHIP. Interviews of individuals of AMSHIP revealed they were instructed by top management in Tampa to show favorable consideration to that company. Mr. Steinbrenner was interviewed in May, 1984 regarding these matters and advised the following: The Board of Directors is notified in advance of pending stock dividends, but they are instructed not to trade in AMSHIP stock. He further advised that he personally has never provided advance information on stocks to anyone outside the company. Mr. Steinbrenner also advised that he has never told company officials to give a contract to a particular company, but has asked them to give companies a chance to bid on contracts. The file contained no other pertinent information regarding Mr. Steinbrenner.

5) A June 11, 1976 newspaper article revealed that George Steinbrenner was one of several prominent individuals seated on the dais at a testimonial dinner honoring Anthony Scotto. Scotto is a member of one of the organized crime families in New York City. The file contained no additional information concerning Mr. Steinbrenner.

The following information was provided by two separate confidential sources of the FBI.

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6) In November, 1981, [redacted] who has provided both reliable and unreliable information in the past, advised that George Steinbrenner is alleged to be a close friend of [redacted] is a member of the Buffalo organized crime family. This allegation has not been substantiated through active investigation.

7) In February, 1981, [redacted] advised that George Steinbrenner is alleged to be in the preliminary stage of some unknown business activity with [redacted] is a member of the Cleveland organized crime family.

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8) In March, 1981, that same source also advised that George Steinbrenner sent "muscle" to "shut up" an individual whose horse mysteriously died while racing at the Tampa Bay Downs Racetrack. The individual had been voicing hostile complaints to the racetrack because it was learned that the attending vet was not licensed. Subsequent contacts with the source have failed to generate any additional information concerning this matter.

With respect to information provided by [redacted] [redacted] caution should be exercised in the use of this information in view of its singular nature. Disclosure of this information could reveal the identity of this confidential source. [redacted] has furnished reliable information in the past which has been corroborated through independent investigation. However, the information provided by [redacted] Mr. Steinbrenner has not been substantiated through active investigation.